



STOLL
KEENON
OGDEN

STATE & FEDERAL TAX PRACTICE

Timothy Eifler
Louisville
502.560.4208
Timothy.Eifler@skofirm.com

Erica L. Horn
Lexington
859.231.3037
Erica.Horn@skofirm.com

Jennifer S. Smart
Lexington
859.231.3619
Jennifer.Smart@skofirm.com

Jackson White
Lexington
859.231.3617
Jackson.White@skofirm.com

Kentucky Tax Interest Rate Remains the Same for 2014

Erica L. Horn

Pursuant to KRS 131.183 et seq., the Commissioner of the Department of Revenue has set the following tax interest rates: for taxes underpaid the interest rate shall be 6 percent; for taxes overpaid the interest rate shall be 2 percent when interest is required to be paid. The rates, effective Jan. 1, 2014, are based on the prime rate charged by Kentucky banks during October 2013. A recent survey of Kentucky banks showed the average prime interest rate in October was 4 percent.

Effective May 1, 2008, all taxes payable to the commonwealth that have not been paid at the time prescribed by statute shall accrue interest at the base rate plus two percent; when interest is paid on a refund, it shall be paid at the base rate minus two percent. The Commissioner of the Department of Revenue is required by law to set the tax interest rate by Nov. 15 for the following calendar year.